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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS  
(Legislative Department)

New Delhi, the 23rd September 1977/Asvina 1, 1899 (Saka)

THE UNION TERRITORIES RELIEF OF AGRICULTURAL  
INDEBTEDNESS REGULATION, 1977

No. 5 OF 1977

Promulgated by the Vice-President discharging the functions of the President in the Twenty-eighth Year of the Republic of India.

A Regulation to provide relief from indebtedness to agricultural labourers, rural artisans, marginal farmers and small farmers in certain Union territories.

In exercise of the powers conferred by article 240 of the Constitution, the Vice-President discharging the functions of the President is pleased to promulgate the following Regulation made by him:—

1. (1) This Regulation may be called the Union Territories Relief of Agricultural Indebtedness Regulation, 1977.

(2) It extends to the Union territories of the Andaman and Nicobar Islands, Dadra and Nagar Haveli and Lakshadweep.

(3) The provisions of sections 3 and 4 shall be deemed to have come into force on the 3rd day of January, 1976 and the remaining provisions shall come into force in a Union territory on such date as the Administrator may, by notification in the Official Gazette, appoint.

2. In this Regulation, unless the context otherwise requires,—

(a) "Administrator" means the administrator of a Union territory appointed by the President under article 239 of the Constitution;

Short  
title,  
extent  
and  
commence-  
ment.

Defini-  
tions

(b) "agricultural labourer" means a person who is engaged in the operation of—

- (i) farming, including cultivation and tillage of soil; or
- (ii) dairy farming; or
- (iii) production, cultivation, growing and harvesting of any horticultural commodity; or
- (iv) raising of live-stock, bees or poultry; or
- (v) any practice performed on a farm as incidental to, or in conjunction with, farm operations (including any forestry or timbering operations) and preparation for market, or delivery to storage or to market, or to carriage for transportation, of farm products,

in the capacity of a labourer on hire or exchange and who is paid in cash or in kind or partly in cash and partly in kind for such engagement;

(c) "annual household income" means the aggregate of the annual income from all sources of all the members of a family;

(d) "bank" means—

- (i) a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949; 10 of 1949.
- (ii) the State Bank of India constituted under the State Bank of India Act, 1955; 23 of 1955.
- (iii) a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959; 38 of 1959.
- (iv) a corresponding new Bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970; 5 of 1970
- (v) a Regional Rural Bank established under sub-section (1) of section 3 of the Regional Rural Banks Act, 1976. 21 of 1976.
- (vi) any banking institution notified by the Central Government under section 51 of the Banking Regulation Act, 1949; 10 of 1949.
- (vn) the Agricultural Refinance and Development Corporation established under the Agricultural Refinance and Development Corporation Act, 1963; 10 of 1963.
- (vii) any other banking or financial institution which the Administrator may, by notification in the Official Gazette, declare to be a bank for the purposes of this Regulation;

(e) "civil court" includes—

- (i) a court exercising jurisdiction under the Provincial Insolvency Act, 1920; 5 of 1920.
- (ii) a panchayat established under any law relating to panchayats for the time being in force in a Union territory while exercising functions of a civil court;
- (iii) a court exercising powers under the Provincial Small Cause Courts Act, 1887; 9 of 1887.

(f) "Collector" means—

- (i) in relation to the Union territory of the Andaman and Nicobar Islands, the Deputy Commissioner of a district

2 of 1966. appointed under section 6 of the Andaman and Nicobar Islands Land Revenue and Land Reforms Regulation, 1966;

2 of 1971. (u) in relation to the Union territory of Dadra and Nagar Haveli, the Collector appointed under sub-section (1) of section 6 of the Dadra and Nagar Haveli Land Revenue Administration Regulation, 1971;

6 of 1965. (u) in relation to the Union territory of Lakshadweep, the Collector appointed under section 4 of the Laccadive, Minicoy and Amindivi Islands Land Revenue and Tenancy Regulation, 1965;

and includes any other officer appointed by the Administrator by notification in the Official Gazette to exercise the powers of a Collector under this Regulation;

(g) "commencement of this Regulation", in relation to a Union territory, means the date on which the provisions of this Regulation, other than those of sections 3 and 4, come into force in such Union territory;

(h) "co-operative society" means a society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in a Union territory and includes a Land Development Bank;

(i) "debt" includes all liabilities owing to a creditor in cash or in kind, secured or unsecured, payable under a decree or order of a civil court or otherwise and subsisting at the commencement of this Regulation, whether due or not due, but does not include—

(i) a debt to the Central Government or any State Government or the administration or Government of any Union territory or any local authority or co-operative society or bank;

1 of 1956. (ii) a debt to any Government company within the meaning of section 617 of the Companies Act, 1956;

31 of 1956. (iii) a debt to the Life Insurance Corporation of India established under the Life Insurance Corporation of India Act, 1956, or to any other Corporation established by or under any law for the time being in force;

(iv) any rent due in respect of any property let out to a debtor;

(v) any liability arising out of breach of trust or any tortious liability;

(vi) any liability in respect of wages or remuneration due as salary or otherwise for services rendered;

(vii) any liability in respect of maintenance whether under a decree of a civil court or otherwise;

(viii) any debt which represents the price of any goods or property purchased by a debtor.

(ix) any advance of money given to a debtor by a person as the price of goods or property to be sold later on by the debtor;

(x) any advance of wages, whether in cash or in kind, or partly in cash or partly in kind, made to a debtor at his instance by a person in pursuance of a contract of service for a specified period;

Provided that the rate of wages settled is not less than the minimum rate of wages fixed by law;

(xi) any sum recoverable as arrears of land revenue;

(j) "debtor" means an agricultural labourer, a rural artisan, a marginal farmer or a small farmer, who owes a debt;

(k) "family", in relation to a person, means the individual, the wife or husband, as the case may be, of such individual and their unmarried minor children.

*Explanation.*—For the purpose of this clause, "minor" means a person who has not completed his or her age of eighteen years;

(l) "marginal farmer" means a person who owns un-irrigated agricultural land measuring not more than one hectare and who cultivates personally such land and includes a person who cultivates such land measuring not more than one hectare as a tenant or share cropper.

Provided that in its application to persons belonging to any Scheduled Tribe, this clause shall be subject to the modification that for the words "one hectare", in both the places where they occur, the words "two hectares" shall be substituted.

*Explanation*—Where a person holds irrigated land, whether exclusively or along with other un-irrigated land, the extent of land deemed to be held by him for the purposes of this clause and clause (n), so far as such irrigated land held by him is concerned, shall be considered to be twice the extent of such irrigated land;

(m) "rural artisan" means a person who does not hold any agricultural land and whose principal means of livelihood is production or repair of traditional tools, implements and other articles or things used for agriculture or purposes ancillary thereto and includes a person who normally earns his livelihood by practising a craft either by his own labour or by the labour of all or any of the members of his family in a rural area;

(n) "small farmer" means a person who owns un-irrigated agricultural land measuring more than one hectare but less than two hectares of such land or who cultivates such land measuring more than one hectare but less than two hectares as a tenant or share cropper;

Provided that in its application to persons belonging to any Scheduled Tribe, this clause shall be subject to the modifications that for the words "one hectare" and "two hectares", in both the places where they occur, the words "two hectares" and "four hectares" shall respectively be substituted;

(o) "Union territory" means the Union territory of the Andaman and Nicobar Islands or Dadra and Nagar Haveli or Lakshadweep.

Exclu-  
sion  
of time  
for limit-  
ation.

3. In computing the period of limitation for a suit for the recovery of a debt or an application for the execution of a decree passed in such suit, the time during which the institution of the suit or the making of the application was barred by section 3 of the Union Territories Relief of Agricultural Indebtedness Regulation, 1976, shall be excluded.

*Explanation.*—In this section, "suit" includes appeal.

4. No interest shall accrue in respect of a debt on or after the 3rd day of January, 1976.

Interest  
not to  
accrue  
in res-  
pect of  
debt

5. Notwithstanding anything contained in any enactment for the time being in force or in any contract or other instrument having the force of law,—

Dis-  
charge  
of debt.

(a) every debt, together with any interest payable thereon, owed to any person at the commencement of this Regulation by an agricultural labourer or a rural artisan either of whose annual household income does not exceed two thousand and four hundred rupees or by a marginal farmer shall be deemed to be wholly discharged;

(b) every debt owed to any person by an agricultural labourer or a rural artisan either of whose annual household income exceeds two thousand and four hundred rupees or by a small farmer shall be deemed to be wholly discharged if—

(i) he had, in the discharge of his debt, paid a sum exceeding or equivalent to double the amount of the debt at any time before the commencement of this Regulation;

(ii) he, in the discharge of his debt, pays, after the commencement of this Regulation, a sum which, together with any sum already paid in the discharge of such debt, is equivalent to double the amount of the debt;

(c) every property pledged or mortgaged by a debtor whose debt is deemed to be discharged under clause (a) or clause (b), shall stand released in his favour when such debt is deemed to be discharged and the creditor shall, if he is in possession thereof, return the same to the debtor forthwith;

(d) subject to the provisions of clauses (a) and (b), the liability of a debtor to repay the debt, together with any interest payable thereon, shall not exceed twenty per cent of the gross value of—

(i) his annual household income in the case of an agricultural labourer or a rural artisan, or

(ii) the annual agricultural produce of his land, in the case of a small farmer,

multiplied by seven and such liability shall be spread over for repayment over a period up to seven years to be reckoned from the date of order of adjudication. No recovery of amount in excess of the debt liability scaled down shall be made and the portion of the debt in excess thereof shall be extinguished.

6 The interest payable on the debt shall be calculated at the rate applicable to the debt under the law, custom or contract or at the rate of six per cent. per annum, whichever is less and credit shall be given for all sums paid or credited first towards the outstanding interest and the balance, if any, shall be credited towards repayment of the principal. The amount of principal and the interest outstanding shall be considered as the net outstanding debt on the 3rd day of January, 1976, for the purpose of scaling down

Interest.

Appoint-  
ment of  
debt  
settle-  
ment  
officers.

7. The Administrator may, for the purposes of settlement between the debtors and their creditors, appoint debt settlement officers and define the local areas in which they shall exercise jurisdiction.

Appli-  
cation  
for  
settle-  
ment.

8 A debtor or any of his creditors may apply within a period of six months from the commencement of this Regulation to the debt settlement officer appointed for the area in which a debtor resides or holds any land to effect a settlement between the debtor and his creditors

Veri-  
fication  
of  
appli-  
cation.

9 Every application to a debt settlement officer shall be in writing and be signed by the applicant and verified in such manner as may be prescribed by rules made under this Regulation.

Particu-  
lars to be  
stated in  
appli-  
cation.

10. (1) Every application presented by a debtor to the debt settlement officer shall contain the following particulars, namely:—

- (a) the place where he resides or holds land;
- (b) the particulars of all claims against him together with names and residences of his creditors;
- (c) the particulars of all his property, together with a specification of the value of such property and the place or places at which any such property is to be found;
- (d) the particulars of his household income;
- (e) a statement containing full particulars showing that he is a debtor;
- (f) a statement whether he has previously filed an application in respect of the same debt before the debt settlement officer, and if so, with what result.

(2) Every application presented by a creditor shall contain the following particulars, namely:—

- (a) the place where the debtor resides or holds land;
- (b) the amount and particulars of his claim against such debtor;
- (c) a statement containing full particulars of the debtor.

Procedure  
on receipt  
of appli-  
cation

11 (1) On receipt of an application under section 8, the debt settlement officer shall pass an order fixing a date and place for hearing the application

(2) Notice of the order under sub-section (1) shall be sent to every creditor by registered post, acknowledgement due, at the cost of the applicant and where the debtor is not the applicant, notice of the order under sub-section (1) shall be sent to him in a similar manner

Notice  
calling  
creditors  
to submit  
statements  
of debts.

12 (1) On the date fixed, the debt settlement officer shall publish, in such manner as may be prescribed by rules made under this Regulation, a notice, calling upon every creditor of the debtor to submit a statement of debts owed to such creditor by the debtor. Such statement wherein the creditor shall show whether he is licensed under the law relating to money-lenders for the time being in force in a Union territory and had complied with the provisions thereof, shall be submitted to the debt settlement officer in writing within a period of two months from the date of publication of the notice:



Provided that, if the debt settlement officer is satisfied that any creditor was, for good and sufficient cause, unable to comply with such direction or to produce the documents required under sub-section (1) of section 13 within the period fixed, he may extend the period for the submission of statement of the debts owed to such creditor or for the production of such documents.

(2) Every debt owed to a single creditor of which no such statement has been submitted to the debt settlement officer in compliance with the provisions of sub-section (1) shall be deemed to be duly discharged for all purposes and all occasions against such creditor; and every debt owed to two or more creditors jointly of which such statement or statements signed by all such creditors or their recognised agents has or have not been so submitted shall be deemed to be so discharged against such creditors as have failed to submit the said statement but only to the extent of their respective shares in the said debt.

(3) If the creditor or any of the joint creditors fails without sufficient cause to be present in person or by his recognised agent or, with the permission of the debt settlement officer by a legal practitioner at any of the hearings fixed by the debt settlement officer, or fails to produce full particulars and documents as required under sub-section (1) of section 13, the debt due to him or to the joint creditors, as the case may be, shall be deemed for all purposes and all occasions to have been fully discharged.

*Explanation*—For the purposes of this sub-section and section 22, “legal practitioner” has the same meaning as in clause (i) of sub-section (1) of section 2 of the Advocates Act, 1961.

25 of 1961

(4) If any creditor proves to the satisfaction of the debt settlement officer that the notice was not served on him and that he had no knowledge of its publication or that he was unavoidably absent at any of the hearings fixed by the debt settlement officer, the debt settlement officer may revive that debt.

13. (1) Every creditor submitting in compliance with a notice issued under sub-section (1) of section 12 a statement of the debts owed to him shall furnish, along with such statement, full particulars of all such debts, and shall at the same time produce all documents (including entries in books of account) on which he relies to support his claims, together with a true copy of every such document:

Proce-  
dure on  
submis-  
sion of  
state-  
ments of  
debts.

Provided that a decree or order of a civil court shall be conclusive evidence as to the amount of the debt to which the decree relates, but the amount may be reduced if it exceeds double the principal loan or has been made up by including simple interest at a rate higher than six per cent. per annum.

(2) The debt settlement officer shall after marking for the purpose of identification every original document so produced and verifying the correctness of the copy, retain the copy and return the original to the creditor.

14. (1) If a creditor or a debtor, as the case may be, challenges the genuineness or enforceability of any debt included in an application, the debt settlement officer shall adjudicate upon the issue.

Power  
of debt  
settle-  
ment  
officer to  
adjudi-  
cate.

(2) Any person aggrieved by a decision of the debt settlement officer under sub-section (1) may appeal therefrom to the Collector:

Provided that an appeal shall not lie from an order refusing to review or confirming on review a previous order.

(3) The period of limitation for an appeal under this section shall run from the date of the order appealed against and shall be thirty days.

(4) The debt settlement officer shall determine in the case of each debt shown in the application made by the debtor or his creditor under section 8, or in the statement furnished by the creditor under section 13, other than a debt declared non-genuine or unenforceable, the principal amount originally advanced, the amount paid by the debtor towards the principal or interest or both and the interest at the rate of six per cent. per annum commencing on the date the principal amount was advanced and ending with the 2nd day of January, 1976, and in calculating the interest, the payments made by the debtor from time to time shall first be adjusted against the interest due on the date of payment and then towards the principal and thereafter interest shall be calculated on the principal amount thus remaining outstanding.

(5) Where the debtor is found to have repaid to the creditor an amount equal to, or exceeding double the principal amount, or the debtor on being appraised of the findings under sub-section (4) pays an amount which makes the total repayment equal to double the amount of principal, the debt settlement officer shall declare the debt as fully discharged and thereupon the provisions of clause (c) of section 5 shall apply to the debt. In case the amount repaid to the creditor is found to be in excess of double the principal, the debt settlement officer shall order the refund of the same to the debtor by the creditor.

(6) The debt settlement officer shall estimate—

(a) in the case of an agricultural labourer or a rural artisan, the gross value of his annual household income; and

(b) in the case of a small farmer, the gross value of the annual agricultural produce of his land;

and determine, for the purpose of section 5, the liability and capacity of the agricultural labourer, or the rural artisan, or, as the case may be, the small farmer to repay the debts outstanding against him.

(7) In the cases not falling under sub-section (5), the debt settlement officer shall, keeping in view the outstanding amount of principal and interest as determined under sub-section (4) and the paying capacity of the debtor determined under sub-section (6), as the case may be, order the payment of the amount in yearly equal instalments not exceeding seven:

Provided that in no case the debtor shall be required to pay towards the principal and the interest any amount that exceeds double the principal:

Provided further that where the amount of yearly instalment in respect of all the debts exceeds the paying capacity of the debtor, the debts shall be proportionately reduced so as to make the yearly instalment equal to the paying capacity and on payment of the instalments so determined, the debt or debts shall stand fully discharged.

15. In recording findings under section 14, the debt settlement officer may, where a creditor is not licensed in accordance with the provisions of the law relating to money-lenders for the time being in force in a Union territory, disallow the whole of his claim and declare the debt as fully discharged and where the creditor is found to have failed to comply with



the provisions of such law with regard to maintenance and publication of accounts, disallow whole of the interest on the principal amount

5 of 1908.

16. A debt settlement officer appointed under section 7 may exercise all such powers connected with the summoning and examining of parties and witnesses and with the production of documents as are conferred on civil courts by the Code of Civil Procedure, 1908, and every proceeding before the debt settlement officer shall be deemed to be a judicial proceeding.

Power of debt settlement officer to require attendance of persons and production of documents and to receive evidence.

17. If in the opinion of the debt settlement officer any applicant fails to conduct his application with due diligence, the debt settlement officer may dismiss the application at any stage.

Dismissal of application in default.

18. If any question arises in any proceedings under this Regulation whether a loan or liability is a debt or not, or whether a person is a debtor or not, the decision of the debt settlement officer shall be final, and shall not be called in question in any court.

Decision of debt settlement officer to be final.

19. No civil court shall entertain—

Bar of civil suits

(a) any suit, appeal or application for revision—

(i) to question the validity of any procedure or the legality of any order issued under this Regulation; or

(ii) to recover any debt which has been deemed to have been duly discharged under the provisions of this Regulation;

(b) Any application to execute a decree passed by a civil court against a debtor;

(c) any suit for declaration, or any suit or application for injunction affecting any proceedings under this Regulation before a debt settlement officer.

20. Any person considering himself aggrieved by an order of the debt settlement officer and who from the discovery of any new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when such order was made, or on account of some mistake or error apparent on the face of the record, or for any other sufficient reason, desires to obtain a review of the order made against him, may apply for a review of such order to the debt settlement officer who may review the order and pass such order as he thinks fit

Review.

Provided that the debt settlement officer shall not under this section pass an order reversing or modifying any order affecting any person interested without giving such person an opportunity of being heard:

Provided further that no application for review shall be entertained if presented more than twelve months after the date of the order sought to be reviewed.

Bar of  
appeal or  
revision.

21. Save as otherwise expressly provided in this Regulation, no appeal or revision shall lie against any order passed by a debt settlement officer.

Appear-  
ance of  
party  
before  
debt  
settle-  
ment  
officer by  
agent or  
by legal  
practi-  
tioner.

22. In any proceedings under this Regulation any party may be represented by an agent authorised in writing or with the permission of the debt settlement officer by a legal practitioner.

Appli-  
cation of  
provi-  
sions of  
Act 36 of  
1963.

23. The provisions of the Limitation Act, 1963, shall apply to an application made by a creditor under section 8 as if the application were a plaint in a suit for recovery of the loan.

Recovery  
of sums  
due.

24. The order of the debt settlement officer passed under this Regulation shall be executed by the civil court having jurisdiction in the area as if it were a decree or order of that court.

Power  
to  
make  
rules

25. The Administrator may, by notification in the Official Gazette, make rules to provide for all or any of the matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Regulation.

Amend-  
ment of  
Regu-  
lation  
2 of 1956.

26. After section 28 of the Andaman and Nicobar Islands Money-lenders Regulation, 1956, the following section shall be inserted, namely:—

Penalty  
for  
Carry-  
ing on  
business  
of money-  
lending  
without  
obtaining  
licence.

“28A. Any money-lender who contravenes the provisions of sub-section (1) of section 5 shall be punishable for the first offence with fine not exceeding one thousand rupees and for a second or subsequent offence with fine not exceeding two thousand rupees”.

Repeal.

27. The Union Territories Relief of Agricultural Indebtedness Regulation, 1976, in so far as it extends to the Union territories of the Andaman and Nicobar Islands, Dadra and Nagar Haveli and Lakshadweep, is hereby repealed.

1 of 1976.

B. D. JATTI,  
Vice-President,  
*discharging the functions of the President.*

K. K. SUNDARAM,  
Secy. to the Govt. of India.